



THE CITY OF SAN DIEGO

Redevelopment Agency's Report

DATE ISSUED: June 14, 2006

REPORT NO. RA-06-30

ATTENTION: Honorable Chair and Members of the Redevelopment Agency,
Docket of June 20, 2006

SUBJECT: First Implementation Agreement to the YMCA Site Improvement
Assistance Agreement

REFERENCE: Site Improvement Assistance Agreement by and between the
Redevelopment Agency of the City of San Diego and the YMCA of San
Diego County (Peninsula Branch)

REQUESTED ACTION:

Approve the First Implementation Agreement to the Site Improvement Assistance Agreement by and between the Redevelopment Agency of the City of San Diego and the YMCA of San Diego County (Peninsula Branch).

STAFF RECOMMENDATION:

Approve the First Implementation Agreement to the Site Improvement Assistance Agreement by and between the Redevelopment Agency of the City of San Diego and the YMCA of San Diego County (Peninsula Branch).

SUMMARY:

The YMCA Site Improvement Assistance Agreement (Agreement) was approved by the City of San Diego Redevelopment Agency (Agency) on March 21, 2002. The Agreement between the Agency and the YMCA Peninsula Branch provided \$575,000 to the YMCA Peninsula Branch from Series 2000 North Bay Tax Allocation Bond proceeds for the construction of a multi-use gymnasium at the Peninsula Branch location.

The YMCA Peninsula Branch site improvements are comprised of three phases at their 4300 Valeta Street location. A site map is included as Attachment 1. The total estimated cost for all three phases is \$5.2 million. The first phase of improvements have been completed and consisted

of renovations to the locker rooms and the pool, as well as construction of a therapy pool and picnic area. The total cost of Phase I was \$991,397.

The Phase II portion of the project consists of the construction of a multi-use gymnasium. The gymnasium will provide a facility for additional fitness programs and provide storage for gym equipment. Tax allocation bond proceeds from the Agency would only be allocated for the Phase II site improvements. Additional funds have been or will be raised through private fundraising efforts. The San Diego Unified School District Board of Education approved a joint use agreement with the YMCA on December 18, 2005, that will allow Correia Middle School use of the multi-use gymnasium, restrooms and storage facilities during school hours in exchange for allowing the YMCA use of the middle school parking facilities. The middle school is directly adjacent to the YMCA facilities. The estimated cost of Phase II is \$1,701,964.

The final phase, Phase III, will include a remodel of the existing administration building to include a Strength and Conditioning Center and Wellness Center. A new second story will include a community conference room, storage, kitchenette, three offices, and a gallery area. The estimated cost for Phase III is \$2,506,639.

Changes in YMCA Requirements for Disbursement of Redevelopment Agency Funds

The original Agreement specifies that the Redevelopment Agency will only contribute Agency funds to the multi-use gymnasium as part of Phase II. Additionally, the original Agreement states the YMCA must obtain all (100%) of the financing for the entire project less the Agency's contribution of \$575,000 before the Agency can disperse the funds for Phase II. It was the intent of the Agency at the time of the execution of the Agreement to contribute only to the multi-use gymnasium and require the YMCA to have sufficient matching funds to complete the entire project before the Agency would disperse funds.

The YMCA has conducted fundraising activities since 2003 and has received a total of \$2.1 million in private contributions to date. The current contributions of \$2.1 million will allow the YMCA to move forward with construction of the gymnasium in January 2007 as planned. Redevelopment Agency staff recognizes that the expectation of the YMCA to have all funds identified for the three phases of development, a total of \$5.2 million, before the Agency will contribute to Phase II could potentially cause significant delays in the construction timeline. The new multi-use gymnasium is an important element of the YMCA improvements in that it will allow for enhanced sports and wellness programs that will benefit the community.

Therefore, Agency staff recommends that Phase II proceed with the Agency's contribution following the YMCA's submittal of documentation to the Agency that they have completely raised the balance of funds to finance Phase II. The proposed First Implementation Agreement includes revised language to allow the YMCA to proceed accordingly. The Implementation Agreement is included as Attachment 2.

The Agreement of 2002 also states the YMCA will amend their current City Lease to: 1) allow the improvements to be constructed; 2) allow the general public and community organizations to use the Site and facilities without regard to the YMCA membership; and, 3) that the fitness training center will be no larger than 3,877 square feet and the multi-use gymnasium will not include free weights, strength training equipment or cardiovascular machines. The original Site Assistance Agreement is included as Attachment 3.

In assessing compliance with these requirements, Agency staff found that under the current lease with the City, the YMCA is required to receive permission from the City of San Diego, as property owner of the site, before improvements can be constructed. Additionally, the YMCA currently allows the general public access to their facilities and programs during normal business hours. Lastly, the plans for site improvements comply with the verbiage regarding the size of the fitness training center and the restrictions on the equipment in the multi-use gymnasium. Thus, the requirements for the City Lease in the Agreement of 2002 have been revised in the First Implementation Agreement to state that prior to Agency disbursement of funds, the YMCA must obtain approval from the proper City authority to build improvements and provide a valid City lease for the property.

Alternative:

If the proposed First Implementation Agreement is not approved, the YMCA will not receive \$575,000 for their Phase II site improvements that includes the construction of the proposed multi-use gymnasium.

PREVIOUS AGENCY and/or COMMITTEE ACTION:

On March 21, 2002, the Redevelopment Agency entered into the Site Improvement Assistance Agreement with the YMCA of San Diego County (Peninsula Branch).

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS:

On November 7, 2001, the North Bay Project Area Committee voted to recommend the expenditure of \$575,000 of Series 2000 North Bay Tax Increment Bond Proceeds for the gymnasium portion of the YMCA site improvements.

On December 18, 2005, the Board of Education approved the Joint Use Agreement between San Diego Unified School District and the YMCA of San Diego County. The joint use agreement allows the YMCA to use the parking facilities at Correia Middle School and Correia Middle School to use the multi-use gymnasium during school hours.

FISCAL CONSIDERATIONS:

When the Redevelopment Agency executed the Site Improvement Assistance Agreement in 2002, \$575,000 in Series 2000 North Bay Tax Allocation Bond proceeds were encumbered for

this project. Upon satisfaction of the conditions of the First Implementation Agreement, \$575,000 will be dispersed to the YMCA for use on Phase II of their site improvements.

STATUS OF NORTH BAY BOND PROCEEDS					
PAC Recommendation	Pac Rec. Date	Projects	General Uses	Housing Uses	Total
		Beginning Balance (inc. interest)	\$10, 231,436	\$3, 313, 169	\$13,544,605
		Less Approved Projects:			
Yes	2/7/2001	Point Loma Library	\$4,089,000		
Yes	1/5/2000	MTDB Underground/Morena Vista	\$450,000		
Yes	11/1/2000	MTDB Guideway Study	\$200,000		
Yes	12/1/1999	Bay to Bay Study	\$250,000		
Yes	6/6/2001	Midway Banners	\$25,000		
Yes	7/2/2003	Pacific Highway Bridge Demolition	\$100,000		
Yes	10/1/2003	Morena Blvd Façade Improvement Program	\$150,000		
Yes	10/1/2003	Voltaire Street Bridge Rehab.	\$170,000		
Yes	2/4/2004	Loan Repayment to fund Grantville Survey	\$125,000		
Yes	12/2/2003	Midway Tree Planting	\$50,000		
		Loan Repayment to City	\$448,209		
Yes	1/8/2003	Morena Vista Development	\$450,000	\$2,500,000	
Yes	9/3/2003	Old Town Queue Jump	\$100,000		
Yes	3/6/2002	Vietnam Veterans Pre-development		\$575,000	
Yes	11/7/2001	Peninsula YMCA	\$575,000		
Yes	3/3/2004	Midway Community Plan Amend.	\$209,000		
		Pacific Highway Bridge Increase	\$30,000		
Yes	1/8/2003	Morena Vista Public Use Lease Payments	\$300,000		
Yes	4/7/2004	Washington St. Median Improv.	\$40,000		
		Misc. Expenses (cash flow)	\$200,000		
		Subtotal Approved Projects	\$7,511,209	\$3,075,000	\$10,586,209
		Remaining Balance	\$2,720,227	\$238,169	\$2,958,396

KEY STAKEHOLDERS and PROJECT IMPACTS:

Development Team –

ROLE	FIRM/CONTACT
Architect	Michael Witkin Architects Michael Witkin
Project Estimator	Jaynes Corporation General Contractors Rick Cohen
Project Estimator	Peterbuilt Corporation Michael Stephenson

CITY RESIDENT AND BUSINESS IMPACT –

The YMCA will have the ability to provide more fitness programs to city residents with a multi-use gymnasium. This action should not have an impact on area businesses.

Respectfully submitted,

Maureen Ostrye
Deputy Executive Director
Redevelopment Agency

Approved: James T. Waring
Assistant Executive Director
Redevelopment Agency

Attachments:

1. Site Map
2. First Implementation Agreement to the Site Improvement Assistance Agreement [YMCA of San Diego County, Peninsula Branch]
3. Site Improvement Assistance Agreement by and between the Redevelopment Agency of the City of San Diego and the YMCA of San Diego County (Peninsula Branch)